

## Income and Housing Affordability

Key issues about income and housing affordability in King County:

- Median Family Income (MFI) is \$71,900 for a family of four and \$50,330 for an individual.
- The annual minimum wage income of \$14,893 equals only 30 percent of MFI for an individual.
- The monthly rate for Supplemental Security Income (SSI) is \$564.
- Fair Market Rent (FMR) on a one-bedroom apartment is \$729 per month and \$923 per month on a two-bedroom apartment.
- Forty percent of Seattle renter households pay more than 30 percent of their income for rent and utilities.
- More than half of Seattle's new households since 1990 have been comprised of single persons.

### Income and Poverty in the National Context

Many individuals and families are forced to make critical choices when their income is not sufficient to meet their basic living needs. It may mean fewer meals, no healthcare, loss of utilities, overcrowded housing, or eviction. For people living with HIV/AIDS who have low-incomes, these choices can have a serious effect on their health status. Unfortunately, the income gap between the poorest and richest families in the nation has reached a historic peak. In 45 states, the gap between the 20 percent of households with the highest incomes and the 20 percent with the lowest incomes has grown.<sup>32</sup>

With more than 9 million people out of work, the U.S. unemployment rate has reached its highest levels since 1994. In March 2004, the percent of workers on unemployment hovered around 5.8. However, among African Americans/Blacks the rate was nearly double at 10.2 percent.<sup>33</sup> An estimated 12 percent of the population—35 million people—are considered to be living in poverty in this country.<sup>34</sup>

The HIV Cost and Services Utilization Study (1996), the most comprehensive study to date, presents a statistical snapshot of the economic well-being of people living with HIV/AIDS. At the time of the study, 63 percent were unemployed, 46 percent had a household income of less than \$10,000, 78 percent had no private health insurance, and 20 percent had no health insurance.<sup>35</sup>

For many low-income and disabled persons in the United States, the cost of healthcare serves as a significant economic barrier to housing. Among the general population, an estimated 41 million, or

<sup>32</sup> Center on Budget and Policy Priorities and Economic Policy Institute, *Pulling Apart: A State-by-State Analysis of Income Trends*, p. viii. Available online: [www.cbpp.org/4-23-02sfp.pdf](http://www.cbpp.org/4-23-02sfp.pdf) (Accessed: July 20, 2004).

<sup>33</sup> U.S. Department of Labor, Bureau of Labor Statistics. Available online: [www.bls.gov/news.release/archives/empst\\_04042003.pdf](http://www.bls.gov/news.release/archives/empst_04042003.pdf) (Accessed: March 12, 2004).

<sup>34</sup> U.S. Census Bureau, *Poverty in the United States: 2002, Current Population Reports: Consumer Income*, p. 1. Available online: [www.census.gov/hhes/www/poverty02.html](http://www.census.gov/hhes/www/poverty02.html) (Accessed: July 20, 2004).

<sup>35</sup> S.A. Bozzette, S.H. Berry, H.D. Duan, et al, "The Care of HIV-Infected Adults in the United States," *New England Journal of Medicine*, Vol. 339, No. 26, December 24, 1998.

16 percent of non-elderly Americans are uninsured. In 2001, the share of Americans with employer-sponsored health insurance decreased for the first time since 1993.<sup>36</sup> People with HIV/AIDS who are able to qualify for Supplemental Security Income (SSI) due to their disability status are usually eligible for health coverage through Medicaid or Medicare, depending on personal income, age, and state regulations. However, the application period can range from a few months to a few years. Under the Medicaid program, participants are usually eligible as soon as their disability status is approved, while under Medicare requirements there may be a one- to two-year waiting period.

## Income and Poverty in Seattle-King County

Every year, the U.S. Department of Housing and Urban Development (HUD) estimates a Median Family Income (MFI) for use with the Section 8 Housing Choice Program.

- The MFI established for King County in 2004 is \$71,900 for a family of four and \$50,330 for an individual.
- The Washington State MFI for a family of four is \$62,721 and for an individual \$43,905.
- The national MFI is \$56,500 and \$39,550, respectively.<sup>37</sup>

In comparison with low-wage workers:

- The annual income for a minimum wage worker earning \$7.16 per hour is \$14,893 per year. This is equivalent to 30 percent of the MFI for an individual in King County.<sup>38</sup>
- In 2002, the poverty threshold for a single person under age 65 was \$9,359 per year, or \$780 per month.
- For a family of four, including two related children, the poverty threshold was \$18,244 per year or \$1,520 per month.<sup>39</sup>
- Annual income at minimum wage is only 82 percent of the poverty threshold for a family of four.

SSI, which many people living with HIV/AIDS depend on, paid a maximum of \$564 per month to a single person under 65 living alone in 2004.<sup>40</sup> The annual SSI income of \$6,768 is only 13 percent of the median income for an individual living in King County—well below the rate of poverty.

<sup>36</sup> The Henry J. Kaiser Family Foundation, Commission on Medicaid and the Uninsured, *The Uninsured and their Access to Health Care*, fact sheet, January 2003. Available online: [www.kff.org/content/2003/142004/142004.pdf](http://www.kff.org/content/2003/142004/142004.pdf) (Accessed: April 3, 2003).

<sup>37</sup> U.S. Department of Housing and Urban Development, *Estimated Median Family Incomes for Fiscal Year 2004*, February 2004. Available online: [www.huduser.org/datasets/il/il04/Section8.xls](http://www.huduser.org/datasets/il/il04/Section8.xls) (Accessed: March 12, 2004).

<sup>38</sup> U.S. Department of Labor, Employment Standards Administration, Wage and Hour Division, *Minimum Wage Laws in the States*, Fact Sheet. Available online: [www.dol.gov/esa/minwage/america.htm#Washington](http://www.dol.gov/esa/minwage/america.htm#Washington) (Accessed: March 12, 2004).

<sup>39</sup> U.S. Census Bureau, *Poverty in the United States: 2001*. Available online: [www.census.gov/prod/2002pubs/p60-219.pdf](http://www.census.gov/prod/2002pubs/p60-219.pdf) (Accessed: April 8, 2003).

<sup>40</sup> Social Security Administration, *Press Office Fact Sheet: 2004 Social Security Changes*. Available online: [www.ssa.gov/pressoffice/factsheets/colafacts2004.htm](http://www.ssa.gov/pressoffice/factsheets/colafacts2004.htm) (Accessed: December 8, 2003).

The unemployment rate in the Seattle-Bellevue-Everett area has remained slightly lower than the Washington State average over the past two years. At the end of May 2004, the unemployment rate was 5.8 percent compared to the state rate of 6.0 percent, one of the highest rates in the country.<sup>41</sup>

Across the state of Washington, an average of 11 percent of residents were living in poverty between 2000 and 2002, slightly lower than the national average.<sup>42</sup> In 1999, the latest year data is available, King County had one of the lowest poverty rates in the state at 8 percent.<sup>43</sup> Approximately 13 percent of Washington State residents—nearly 800,000 non-elderly persons—have no health insurance. Another 22 percent rely on Medicaid and/or Medicare to cover health costs.<sup>44</sup>

## Housing Affordability in the National Context

Unprecedented economic growth in the 1990s did not raise all incomes equally, although it did raise housing costs. In 2001, there were no states where a full-time, minimum-wage worker could afford to rent a two-bedroom apartment at or above the federally established Fair Market Rent (FMR).

Clearly, people with disabilities who depend on SSI—equivalent to just 17 percent of the national median income for an individual in 2004—have even fewer housing choices. For the first time ever, in 2002, the national average rent per year was greater than the annual income provided by the SSI program—105 percent of SSI would be needed to rent a modest one-bedroom apartment. From 2000 to 2002, the cost of rental housing rose to twice as high as the cost of living adjustments for SSI.<sup>45</sup>

People living with HIV/AIDS who have low incomes face the same challenges as other people with low incomes and frequently turn to the same resources to meet their housing and service needs. A small portion of people with low incomes are able to meet their housing needs with assistance, either in the form of subsidized units or through vouchers, such as Section 8, that a tenant can use in available market-rate housing. When it is not possible to obtain affordable housing, residents with low incomes inevitably pay a larger percentage of their income toward housing costs than people earning higher incomes, or they combine households to share housing costs. Individuals who pay a high proportion of their income for housing costs and those who are living in overcrowded situations are at increased risk for homelessness.

Housing affordability is determined by the relationship of housing cost to income. HUD considers housing to be affordable if it costs 30 percent or less of the renter's gross income. An area with very high average incomes can still be unaffordable if rents are typically very high; conversely, very low rents can be unaffordable in areas where incomes are low. According to the Joint Center for Housing Studies of Harvard University, 14.3 million renters are spending more than 50 percent of

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<sup>41</sup> U.S. Department of Labor, Bureau of Labor Statistics, *Area Unemployment Statistics*. Available online: [www.bls.gov/lau/home.htm](http://www.bls.gov/lau/home.htm) (Accessed: July 20, 2004).

<sup>42</sup> U.S. Census Bureau, *Poverty in the United States: 2002*, p. 10. Available online: [www.census.gov/prod/2003pubs/p60-222.pdf](http://www.census.gov/prod/2003pubs/p60-222.pdf) (Accessed: December 8, 2003).

<sup>43</sup> U.S. Census Bureau, *Population by Poverty Status in 1999 by County: 2000*. Available online: [www.census.gov/hhes/poverty/2000census/poppvstat00.html](http://www.census.gov/hhes/poverty/2000census/poppvstat00.html) (Accessed: December 8, 2003).

<sup>44</sup> The Henry J. Kaiser Family Foundation, *State Health Facts Online*. Available online: [www.statehealthfacts.kff.org](http://www.statehealthfacts.kff.org) (Accessed: December 8, 2003).

<sup>45</sup> Technical Assistance Collaborative, Inc., *Priced Out in 2002*, May 2003, p. 1. Available online: [www.tacinc.org](http://www.tacinc.org) (Accessed: June 23, 2003).

their incomes for housing, and 17.3 million are spending 30 percent or more. Of the nation's households with one or more housing quality problems, an estimated 76 percent have incomes well above the poverty level and 55 percent are homeowners.<sup>46</sup>

Both homeownership and rental housing occupy important niches in the housing continuum. However, gains in support for homeownership may have come at the expense of support for rental housing.<sup>47</sup> Rents, adjusted for inflation, increased 15 percent during the past four years, four times higher than the cost of a new home.<sup>48</sup> However, mortgage interest tax deductions represent the largest federal housing subsidy program, valued at \$65 billion in FY 2001.<sup>49</sup>

## Housing Affordability in Seattle-King County

In the King County housing market, FMR<sup>50</sup> on a one-bedroom apartment is \$729 per month and \$923 per month on a two-bedroom apartment. The National Low Income Housing Coalition estimates that a worker in King County earning minimum wage (\$7.16 per hour) would need to work 80 hours per week to afford a one-bedroom apartment at FMR. The housing wage in King County is \$14.02 per hour. This is based on what a full-time worker must earn to afford a one-bedroom apartment.<sup>51</sup> For an individual living on SSI of \$564 per month the FMR on a one-bedroom apartment is \$165 more than his or her monthly income.

Housing affordability data is presented for an individual in **Table 8** and for a family of four in **Table 9**. For each of three scenarios, an affordable monthly rent—equal to 30 percent of gross monthly income—is calculated and compared with the average cost of apartment rentals. The last two columns show the gap between an affordable rent and an apartment renting for the FMR. Although this cannot represent the difference between what is affordable and what is available, it is a way of estimating and generalizing about housing affordability in an area.

<sup>46</sup> Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing: 2003*, June 2003, pp. 25-26. Available online: [www.gsd.harvard.edu/jcenter](http://www.gsd.harvard.edu/jcenter) (Accessed: July 1, 2003).

<sup>47</sup> National Low Income Housing Coalition, "Homeownership," *2002 Advocates' Guide To Housing and Community Development Policy*. Available online: [www.nlihc.org/advocates/homeownership.htm](http://www.nlihc.org/advocates/homeownership.htm) (Accessed: March 17, 2003).

<sup>48</sup> Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing: 2002*, June 2002, p. 19. Available online: [www.gsd.harvard.edu/jcenter](http://www.gsd.harvard.edu/jcenter) (Accessed: March 14, 2003).

<sup>49</sup> Millennial Housing Commission, Housing Program Tutorial, June 2002, Slide 21. Available online: [www.mhc.gov/tutorial\\_files/frame.htm](http://www.mhc.gov/tutorial_files/frame.htm) (Accessed: March 17, 2003).

<sup>50</sup> HUD annually establishes FMR as the rental cost limit for certain rental subsidy programs. FMRs are set for each county at the fortieth percentile of rents paid by people who moved within the past two years, excluding people who moved into newly constructed units. This means that 40 percent of rents were lower and 60 percent were higher than FMR. FMR is not intended to represent the actual cost of available units but is useful as an estimate of housing costs for an area.

<sup>51</sup> National Low Income Housing Coalition, *Out of Reach 2003: America's Housing Wage Climbs*. Available online: [www.nlihc.org](http://www.nlihc.org) (Accessed: December 8, 2003).

*Table 8:*  
**Monthly Housing Affordability for Individuals with Varying Incomes**  
**in Seattle-King County, based on 2004 Median Family Income,**  
**Supplemental Security Income, and Fair Market Rents**

	Individual A	Individual B	Individual C
Earns:	SSI	Minimum wage	50% of MFI
Has this much monthly income:	\$564	\$1,241	\$2,097
Which is equivalent to this percentage of MFI:	13%	30%	50%
Based on income, affordable housing cost is:	\$169	\$372	\$629
A studio apartment might cost:*	\$599	\$599	\$599
Which exceeds the affordable cost by:	\$430	\$227	none
A one-bedroom apartment might cost:*	\$729	\$729	\$729
Which exceeds the affordable cost by:	\$560	\$357	\$100

Source: U.S. Department of Housing and Urban Development, HUD User, *FY 2004 Income Limits*. Available online: [www.huduser.org/datasets/il.html](http://www.huduser.org/datasets/il.html) (Accessed: March 5, 2004).

U.S. Department of Housing and Urban Development, HUD User, *Fair Market Rents 2004*. Available online: [www.huduser.org/Datasets/FMR/FMR2004F/FMR2004F\\_County.xls](http://www.huduser.org/Datasets/FMR/FMR2004F/FMR2004F_County.xls) (Accessed: October 6, 2003).

\*2004 Fair Market Rent established by HUD.

Notes: SSI is Supplemental Security Income, and the amount given is the maximum for a single person 65 or younger living alone in 2004. MFI is Median Family Income. The MFI established by HUD for a family of one in 2004 is \$50,330, equivalent to \$4,194 per month. Affordable housing cost here is based on HUD's guideline of 30 percent or less of gross monthly income. Minimum wage in 2004 is \$7.16 per hour. Minimum wage example assumes full-time employment.

*Table 9:*  
**Monthly Housing Affordability for Families with Varying Incomes**  
**in Seattle-King County, based on 2004 Median Family Income,**  
**Supplemental Security Income, and Fair Market Rents**

	Family A	Family B	Family C
Earns:	SSI	Minimum wage	50% of MFI
Has this much monthly income:	\$564	\$1,241	\$2,996
Which is equivalent to this percentage of MFI:	9%	21%	50%
Based on income, affordable housing cost is:	\$169	\$372	\$899
A two-bedroom apartment might cost:*	\$923	\$923	\$923
Which exceeds the affordable cost by:	\$754	\$551	\$24
A three-bedroom apartment might cost:*	\$1,282	\$1,282	\$1,282
Which exceeds the affordable cost by:	\$1,113	\$910	\$383

Source: U.S. Department of Housing and Urban Development, HUD User, *FY 2004 Income Limits*. Available online: [www.huduser.org/datasets/il.html](http://www.huduser.org/datasets/il.html) (Accessed: March 5, 2004).

U.S. Department of Housing and Urban Development, HUD User, *Fair Market Rents 2004*. Available online: [www.huduser.org/Datasets/FMR/FMR2004F/FMR2004F\\_County.xls](http://www.huduser.org/Datasets/FMR/FMR2004F/FMR2004F_County.xls) (Accessed: October 6, 2003).

\*2004 Fair Market Rent established by HUD.

Notes: SSI is Supplemental Security Income, and the amount given is the maximum for a single person 65 or younger living alone in 2004. MFI is Median Family Income. The MFI established by HUD for a family of four in 2004 is \$71,900, equivalent to \$5,992 per month. Affordable housing cost here is based on HUD's guideline of 30 percent or less of gross monthly income. Minimum wage in 2004 is \$7.16 per hour. Minimum wage example assumes full-time employment.

## **Indicators of Community Well-Being in Seattle-King County**

The Communities Count initiative is designed to measure the well-being of individuals, families, and community environments in King County. Some of the outcomes identified in the 2002 report indicate:

- Few King County residents (5 percent) worry about having enough food for themselves or their families;<sup>52</sup> however, many face challenges meeting rent or mortgage burdens. As the housing gap widened in King County during the 1990s, by 2000 only one in three rental units was considered affordable for people with low incomes.<sup>53</sup>
- By 1999, 40 percent of renters and 27 percent of homeowners paid 30 percent or more of their income for housing. Renters in Seattle and homeowners in North King County were most likely to have significant housing burdens.<sup>54</sup>
- From 1999 to 2000 Federal Way, Kent, and Renton were the King County cities with the greatest percent of rental units that were considered affordable for households with low incomes.<sup>55</sup>
- During that same time period Bellevue, Kirkland, and Redmond were the three cities with the lowest percent of affordable rental units.<sup>56</sup>
- In 1999, nearly one in five King County households did not earn a living wage (an income of higher than twice the poverty level). This was higher than the state and national averages. In King County, Seattle had the highest percent of people without a living wage income.<sup>57</sup>
- On average, Whites/Caucasians reported higher levels of social support than people of color. People with incomes over \$50,000 also reported higher support, as did people who live as a couple (either married or unmarried).<sup>58</sup>

## **Housing Market in Seattle-King County**

With more than 1.7 million residents, King County is home to 29 percent of Washington State's population and ranks twelfth in the country for county population. Eight of the State's twenty largest cities are in King County. Seattle is home to 32 percent of the County's residents while 47 percent live in suburban cities and 20 percent live in unincorporated areas of the County. Between 1990 and 2000, the population of King County grew by 15 percent, which was less than between 1980 and 1990. The City of Seattle grew by 9 percent and the unincorporated areas decreased by 32 percent. The majority of the County's population growth was in the suburban cities due to both annexation of the City of Sammamish and construction of new housing units. More than half of the population growth occurred in South King County.<sup>59</sup>

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<sup>52</sup> Public Health – Seattle & King County, Epidemiology, Planning, and Evaluation Unit, *Communities Count 2002: Social and Health Indicators Across King County*, p. 7. Available online: [www.communitiescount.org](http://www.communitiescount.org).

<sup>53</sup> Ibid, p. V.

<sup>54</sup> Ibid, p. 9.

<sup>55</sup> Ibid, p. 10.

<sup>56</sup> Ibid.

<sup>57</sup> Ibid, p. 11.

<sup>58</sup> Ibid, p. 16.

<sup>59</sup> Public Health – Seattle & King County, *2003 HIV/AIDS Epidemiological Profile for Community Planning: A report to the community prepared by the HIV/AIDS Epidemiology Unit, Public Health – Seattle & King County*, p. 8.



A Seattle-based real estate research firm, Dupre + Scott Apartment Advisors, prepares a semi-annual apartment vacancy and rental rate report. In the Spring of 2004, the apartment vacancy rate in King County was 7.1 percent, which was slightly less than 7.5 percent from the previous year. A vacancy rate of more than 5 percent is considered a “soft market” and more favorable for renters. While average rents continued to fall, by \$14 per month, the number of properties offering rent incentives also dropped from 73 percent to 67 percent. Over the next year, Dupre + Scott expects to see fewer landlord concessions and decreasing rents.<sup>60</sup> **Table 10** shows the average rent rate in Spring 2004 for a one-bedroom and two-bedroom apartment in King County areas.

*Table 10:*  
**Spring 2004 Average Rent for One-Bedroom  
and Two-Bedroom Apartments in Selected Seattle Neighborhoods  
and King County Areas**

Location	One-Bedroom	Two-Bedrooms
<b>HUD FMR</b>	<b>\$729</b>	<b>\$923</b>
<b>City of Seattle</b>		
Ballard	\$695	\$882
Beacon Hill	\$621	\$1,072
Capitol Hill/Eastlake	\$819	\$1,172
Central District	\$882	\$1,158
Downtown	\$1,115	\$1,583
First Hill	\$814	\$1,257
Greenlake/Wallingford/Fremont	\$856	\$1,098
North Seattle	\$687	\$874
Queen Anne	\$890	\$1,345
Rainier Valley	\$572	\$818
<b>King County</b>		
Auburn	\$577	\$763
Bellevue–West	\$944	\$1,199
Bothell	\$695	\$852
Burien	\$624	\$738
Des Moines	\$584	\$720
Federal Way	\$618	\$756
Kent	\$607	\$736
Renton	\$682	\$856
White Center	\$669	\$799

Source: *The Seattle Times*, “Rental Respite: Landlords Continue to Woo Tenants with Sweet Deals,” April 18, 2004. Available online: [www.seattletimes.com](http://www.seattletimes.com) (Accessed: April 26, 2004) and U.S. Department of Housing and Urban Development, HUD User, *Fair Market Rents 2004*. Available online: [www.huduser.org/Datasets/FMR/FMR2004F/FMR2004F\\_County.xls](http://www.huduser.org/Datasets/FMR/FMR2004F/FMR2004F_County.xls) (Accessed: October 6, 2003).

<sup>60</sup> *The Seattle Times*, “Rental Respite: Landlords Continue to Woo Tenants with Sweet Deals,” April 18, 2004. Available online: [www.seattletimes.com](http://www.seattletimes.com) (Accessed: April 26, 2004).

## **City of Seattle Consolidated Plan**

The *City of Seattle Consolidated Plan* is a plan required by the U.S. Department of Housing and Urban Development (HUD) as the application and strategic plan for HUD's formula programs: Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). The City of Seattle prepared *Seattle's Consolidated Plan for Housing and Community Development, 2004 Update* to outline the City plans for furthering the priorities and strategies outlined in the *City of Seattle Consolidated Plan* for 2001-2004.

Many of Seattle's residents with low incomes have not benefited from the effects of a strong economy, as there are high employment rates in the Puget Sound region. In many Seattle neighborhoods, unemployment had risen to over 7.3 percent in 2003. In an effort to increase family and individual self-sufficiency for all Seattle residents, the City is pursuing approaches to help children and youth, increase family incomes, and increase access to affordable housing.<sup>61</sup> Two of the City's proposed accomplishments for 2004 are to complete 6,495 units of low-income housing and 385 affordable units, including 141 affordable units linked with support services.<sup>62</sup>

The City's draft *Analysis of Impediments to Fair Housing Choice (AI)* identified demographic trends within Seattle, including:

- Forty percent of Seattle renter households pay more than 30 percent of their income for rent and utilities and meet HUD's definition for worst-case housing needs.
- Single mothers with children under five years of age have a poverty rate of 38 percent.
- Trends indicate that immigrants and refugees will comprise between 30 and 40 percent of the total growth in low-income persons in Seattle between 2003 and 2005.
- More than half (52 percent) of Seattle's new households since 1990 have been comprised of single persons.<sup>63</sup>

Average household size for Seattle is 2.08 persons, which is the smallest among the 100 largest cities in the nation. Approximately 41 percent of Seattle households are comprised of single persons living alone, compared to only 18 percent of households with children under the age of eighteen. Between 1990 and 2000, the number families with children decreased by 2 percent and the number of families without children increased by 2 percent.<sup>64</sup>

Fourteen percent of Seattle households (renters and owners) were described as extremely low-income, which is defined as having a combined household income of 30 percent or less of MFI (based on 2000 data). Eleven percent of households had incomes between 31 percent and 50 percent of MFI. The majority of these households rented their homes and were comprised of singles or groups of unrelated people. Fifty-five percent of extremely low-income households pay more than half of their income for housing (i.e., rent or mortgage plus utilities) each month.<sup>65</sup>

<sup>61</sup> City of Seattle, *Seattle's Consolidated Plan for Housing and Community Development, 2004 Update*, November 13, 2003, pp. 5-6.

<sup>62</sup> Ibid, p. 12.

<sup>63</sup> Ibid, p. 20.

<sup>64</sup> City of Seattle, *Draft Consolidated Plan for Housing and Community Development*, May 2004, p. 1.

<sup>65</sup> Ibid, pp. 3-8.



## **Seattle Housing Levy**

In 2002, Seattle voters approved a property tax levy that will provide \$86 million for housing production and preservation over seven years. More than 1,700 housing units are expected to be funded through the levy between 2003 and 2009. Of approximately \$8 million per year allocated for rental preservation and production, at least 59 percent will be reserved for units serving people with incomes at or below 30 percent of Median Family Income (MFI). The balance may be used for households with incomes up to 50 or 60 percent of MFI. In addition, funding for the Neighborhood Housing Opportunity Program (NHOP) will be used for mixed-income, mixed-use projects in specified Seattle neighborhoods. At least 25 percent of the funding will be used for units serving people with incomes at or below 30 percent of MFI and the balance may be used for people with incomes up to 80 percent of MFI.<sup>66</sup>

## **Seattle Housing Authority**

The Seattle Housing Authority (SHA) is the largest low-income housing provider in the state. SHA owns or administers approximately 5,700 units of federally funded public housing, 7,500 additional units through the federal Section 8 Housing Choice Voucher Program, 1,000 locally-funded units, and more than 800 units of other housing. More than 23,000 individuals benefit from these programs.<sup>67</sup> As of June 2004, approximately 4,100 people are on the waiting list for a Section 8 voucher and 3,800 are on the waiting list for public housing units (some are on both lists). SHA estimates that individuals and families wait an average of a year or more for public housing units and two or more years for a Section 8 voucher. Currently the Section 8 waiting list is closed.<sup>68</sup>

## **King County Consolidated Plan**

King County prepares a Consolidated Plan on behalf of a consortium of 35 cities and towns in King County, along with the unincorporated areas in King County. The *King County Consolidated Housing and Community Development Plan 2005-2009, Draft for Public Review and Comment* was issued on August 13, 2004 and will be finalized after the public comment period. The three goals of the Consolidated Plan are:

- Ensure decent, affordable housing
- End homelessness
- Establish and maintain a suitable living environment and expand economic opportunities

“The Consolidated Plan sets the objectives, strategies and programs for housing and community development assistance under these broad goals based on an analysis of current housing and community development needs, an assessment of available housing and community development resources, as well as other regional planning efforts underway. It emphasizes housing assistance to those with very low or no income but also attempts a balance in housing programs to serve owners

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<sup>66</sup> City of Seattle, *Seattle's Consolidated Plan for Housing and Community Development, 2004 Update*, November 13, 2003, p. 14.

<sup>67</sup> Ibid, p. 65.

<sup>68</sup> Seattle Housing Authority, email correspondence with AHW staff, June 7, 2004.

and renters at or below 80 percent of the median income, elderly residents, families, homeless people, and those with special housing needs.”<sup>69</sup>

### **King County Housing Authority**

The King County Housing Authority (KCHA) provides housing resources to residents outside of Renton and Seattle. KCHA administers 6,878 Section 8 Housing Choice vouchers and has received an additional 1,900 portable vouchers that were distributed by other housing authorities to families who have since moved to King County. Twenty-five vouchers have been allocated to the Terminally Ill Program and are dedicated to the AIDS housing continuum administered by Lifelong AIDS Alliance. In addition, KCHA, the YWCA, and several organizations serving persons with disabilities have formed the Housing Access and Services Program (HASP) to provide additional housing and related resources to persons with disabilities. Approximately 29 Section 8 vouchers are available through HASP for persons living with AIDS and are administered by Lifelong AIDS Alliance.<sup>70</sup>

The waiting list for Section 8 vouchers with KCHA includes an estimated 5,000 names. The waiting list was last open in August of 2002 and KCHA is able to review applications from approximately 90 individuals or families per month. Concerns about future funding and changes in the Section 8 Program have led to a decrease in application review from the Section 8 waiting list.<sup>71</sup>

### **Renton Housing Authority**

The Renton Housing Authority (RHA) serves residents of the City of Renton. A total of 1,400 households are served in all RHA housing programs, including 619 that receive Section 8 vouchers. RHA owns 720 units of housing. The average wait time for RHA-assisted housing is between 1.5 and 3 years depending on the size of the unit.<sup>72</sup>

### **Proposed Cuts to the Section 8 Housing Choice Voucher Program**

In March of 2004, the Center on Budget and Policy Priorities, a Washington D.C.-based think tank, conducted an analysis of the President’s fiscal year 2005 budget proposal for the Section 8 program. The President’s proposed budget calls for reducing the Section 8 voucher program by \$1.6 billion in 2005, with reductions rising to \$4.6 billion by 2009 (30 percent). If such a proposal were to be enacted, the resulting impact for all housing authorities across the country would most likely mean decreasing the number of families served by the Section 8 program or charging higher rents to voucher holders.<sup>73</sup>

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<sup>69</sup> King County, *King County Consolidated Housing and Community Development Plan 2005-2009, Draft for Public Review and Comment*, August 13, 2004, pp. 5-6. Available online: <http://www.metrokc.gov/dchs/csd/housing/consolplndraft.pdf> (Accessed: September 29, 2004).

<sup>70</sup> King County Housing Authority, email correspondence with AHW staff, June 4, 2004.

<sup>71</sup> Ibid.

<sup>72</sup> King County, *King County Consolidated Housing and Community Development Plan 2005-2009, Draft for Public Review and Comment*, August 13, 2004, p. 27. Available online: <http://www.metrokc.gov/dchs/csd/housing/consolplndraft.pdf> (Accessed: September 29, 2004).

<sup>73</sup> Center on Budget and Policy Priorities, *Many Low-Income Families Would Lose Federal Housing Assistance Under Proposed Funding Cuts*, Press Release, March 17, 2004. Available online: [www.cbpp.org/3-17-04hous-pr.htm](http://www.cbpp.org/3-17-04hous-pr.htm) (Accessed: June 16, 2004).

Based on data provided by the Center for Budget and Policy Priorities, the effect on SHA could be a reduction of more than \$7.3 million in 2005. Based on the Center's 2003 calculation of 6,837 existing Section 8 vouchers, the result could mean that 829 fewer families are served or rent could be increased by \$1,046 per year. By 2009, the impact could be a loss of more than \$19.4 million, resulting in 1,989 fewer families served or a rent increase of \$2,721 annually.<sup>74</sup>

For KCHA, the Center for Budget and Policy Priorities identified 6,374 Section 8 vouchers available in 2003. The impact of the proposed budget cuts could mean a reduction of more than \$6.9 million in fiscal year 2005, which would mean 773 fewer families served or an annual increase in rent of \$1,068. Similarly, by 2009, KCHA could face a loss of \$18.5 million, resulting in 1,854 fewer families served or an annual rent increase of \$2,778.

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<sup>74</sup> Center on Budget and Policy Priorities, *Local Effects of Proposed Cuts in Federal Housing Assistance Detailed*, March 17, 2004. Available online: <http://www.cbpp.org/3-17-04hous-pr.htm> (Accessed: June 16, 2004).